

**LOUISIANA STATE POLICE
GAMING ENFORCEMENT DIVISION
INTERNAL CONTROL REVIEW COMMITTEE POLICY AND PROCEDURES**

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**INTERNAL CONTROL REVIEW COMMITTEE
POLICY AND PROCEDURES**

Objective

To provide for the fair, standardized and equitable review of each Casino/Licensee's written system of Internal Controls.

Purpose

The purpose of the Internal Control Review Committee is to provide a central and consistent authoritative body for the review and approval of Casino/Licensee Internal Controls. The Internal Control Review Committee (Committee) shall review all submissions of written systems of Internal Controls, as well as any subsequent changes to previously approved written systems of Internal Controls.

Structure of Committee

The Committee shall be composed of four members as follows:

Operations Sergeant - The Committee shall be facilitated by the Operations Sergeant. The Operations Sergeant shall serve as the Operations representative and will coordinate responses from the Operations Unit. The Operations Sergeant shall present all submissions to the Committee for a consensus. In the event that the Committee is at an impasse on a particular item, the Operations Sergeant shall immediately notify the Operations Lieutenant of the conflict. The Operations Lieutenant shall then confer with the Operations Audit Manager to reach a resolution. In the event that the impasse cannot be resolved at this level, the Division Supervisor and the Audit Director will be consulted.

One (1) Audit Representative - The Audit Director shall name an Auditor Supervisor to serve on the Committee. The Auditor Supervisor shall serve as the Audit Representative and will coordinate responses from the Audit Division.

Two (2) Field Office Representatives - The Field Office Lieutenant or his designee and the Auditor Supervisor from the field office shall serve on the Committee when Internal Controls for Casino/Licensees in their area are under review.

Coordinators

The Administrative Specialists will be the Coordinators for the Internal Control Committee under the direction of the Operations Sergeant. The Coordinators will be the official custodians of the Division's Internal Control Records. The Coordinators shall ensure that trimester submissions are complete and changes made are consistent throughout the written system of Internal Controls; and shall ensure all changes are in accordance with applicable statutes, Administrative Rules and Division Guidelines. The Coordinators shall handle correspondence between the committee and licensees, and will coordinate disseminating all submissions and meeting agendas to the Committee members for review. In addition, the Coordinators will review submissions to ensure that all Internal Control changes have been accounted for and are consistent throughout the existing written system of Internal Controls.

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Committee Scheduled Meetings and Location

- ◆ The Committee shall meet at a date and time set by the Operations Sergeant, agreed to by the committee, and scheduled by the coordinators.
- ◆ The Operations Sergeant shall set the agenda for the Committee meetings. In doing so, the Operation Sergeant should allow sufficient time for discussion and consideration of the totality of facts and all mitigating circumstances presented in the submission.
- ◆ Attendance at Internal Control Review Committee meetings is mandatory. All Committee members shall ensure that they give priority to timely attend all scheduled Committee meetings. If circumstances dictate that an appointment or other activity cannot be avoided, they will immediately (through their Chain of Command) ensure that another individual from their section is named as a substitute/designee; or they may participate by way of conference calling into the meeting.
- ◆ All Committee members are required to read, and be prepared to discuss, all Internal Control changes submitted for review.

Authority of the Committee

While the Committee is empowered to approve or deny any/all changes to the previously approved written system of Internal Controls, its decisions are subject to changes by the Division Supervisor and Audit Director.

Timeliness of Review

The Coordinator under the direction of the Operations Sergeant shall ensure that all members are notified of the next scheduled Committee meeting at least seven (7) calendar days prior to the meeting.

Review and Processing Procedures - Receiving Submissions

- ◆ **Trimester** - The Operations Sergeant shall receive trimester submissions from the casinos/licensees. Casinos/licensees shall submit four (4) hard copies (including any approved waivers of Internal Controls) and one (1) copy on a compact disk (CD) of their Internal Control submission. **The submission shall include an attestation form which lists all areas of the Internal Controls (i.e., cage, surveillance, slots, etc.) that contain changes and the signature and title of the applicable department head of that area (i.e., Manager, Director). The signature will be an attestation from the department head, that he/she has reviewed the amended Internal Controls and that they accurately portray the operations intended and include all anticipated affects on other related Internal Controls.** Casinos/licensees shall submit a summary with their trimester submissions, which briefly describes all changes and lists the specific Section and page of each change. Casinos/licensees shall also be required to give a reason for each change.

Casinos/licensees shall not be allowed to submit additional changes to be included in their trimester submissions after their submission deadlines. Such changes will either have to be a justified emergency submission, a Division requested submission or included in the Casino/licensee's next year's trimester submission.

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- ◆ **Emergency submissions** - The Operations Sergeant shall receive emergency submissions from the Casinos/licensees. **The submission shall include an attestation form which lists all areas of the Internal Controls (i.e., cage, surveillance, slots, etc.) that contain changes and the signature and title of the applicable department head of that area (i.e., Manager, Director). The signature will be an attestation from the department head, that he/she has reviewed the amended Internal Controls and that they accurately portray the operations intended and include all anticipated affects on other related Internal Controls.** Casinos/licensees shall be required to submit a summary with their emergency submissions, which briefly describes all changes and lists the specific Section and page of each change. Casinos/licensees shall also be required to give a reason for each change and why they consider it an emergency.
- ◆ **Division Agent Submissions** - Weaknesses noted by Division agents in the field should be addressed via the in-house Internal Control Special Request Routing Form. Priority will be given to these requested changes. Audit personnel should forward their Internal Control Special Request Routing Form to the Audit Representative, who will review and forward to the Operations Sergeant. Other personnel should forward their Internal Control Special Request Routing Form to the Operations Sergeant for review and processing of a deficiency notice. Division agents should attach a copy of any applicable SAR, and the page(s) of the Internal Controls to be amended.

If the weakness noted is property specific, a **Field Office** Internal Control Special Request Routing Form will be delivered to the licensee notifying the licensee that they have 15 days to submit the Internal Control change. Audit personnel should forward a copy of their signed Internal Control Special Request Routing Form to the Audit Representative, who will review and forward to the Operations Sergeant. Other personnel should forward a copy of their Internal Control Special Request Routing Form to the Operations Sergeant for review and processing. The coordinator will create a tickler to follow-up on the 15 day submission by the licensee.

If the weakness noted is statewide, a **Statewide** Internal Control Special Request Routing Form will be completed and submitted to the appropriate committee member. Audit personnel should forward their Internal Control Special Request Routing Form to the Audit Representative, who will review and forward to the Operations Sergeant. Other personnel should forward their Internal Control Special Request Routing Form to the Operations Sergeant for review and processing of a deficiency notice.

Notification to the Members

The Coordinator shall distribute the copies of Internal Control submissions as follows:

- ◆ **Trimesters:**
Hard copies of the trimester submission files will be hand delivered or mailed by the Coordinator to the following individuals, and an e-mail will be sent by the Coordinator immediately to each notifying them of such delivery.
 - a. One hard copy to the Field Office Audit Supervisor;
 - b. One hard copy to the Field Office Lieutenant;
 - c. One hard copy to the Auditor Representative; and
 - d. One hard copy will be retained by the Coordinator on behalf of the Operations Sergeant.

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◆ **Emergencies**

The Coordinator will mail emergency submissions to Committee members and e-mail each member notifying them that the emergency submission was sent.

◆ **Division Agent submissions**

The Coordinator will fax or mail Division Agent submissions to Committee members and e-mail each member notifying them that the submission was sent.

Committee Responses

The Operations Sergeant will schedule a Committee meeting to discuss any concerns or deficiencies found during reviews. The Coordinator will e-mail committee members, including the respective Field Office Lieutenant and Field Office Audit Supervisor, notifying them of the date, time and location of the meeting. The e-mail will be sent at least one (1) week in advance of the meeting. Each committee member must submit a list of deficiencies, clarifications, and/or problems that they wish to discuss at the meeting in writing to the coordinators. This list must be on a form prescribed by the Operations Sergeant and must be submitted at least 3 days prior to the scheduled meeting. The coordinator will encompass all written submissions into one list of items to be discussed at the meeting. This list will be provided to all committee members.

Committee Meeting Review Procedures

The Committee will review each change to the written system of Internal Control, by using the list of items provided to them at the meeting by the coordinator. The Coordinator will record all findings and deficiencies discussed during the Committee meeting and prepare a deficiency report summarizing all findings and deficiencies.

Deficiency Reports

The Coordinator will e-mail the completed deficiency report to the Operations Sergeant and the Audit Representative, who will review the report for accuracy and completeness. Any corrections to the report discovered by the Audit Representative shall be returned to the Operations Sergeant, with the Coordinator copied. The Coordinator shall make the corrections to the report, and obtain the Operations Sergeant and Audit Representative's approval signatures

Any issues not agreed upon by the Operations Sergeant and the Audit Representative will be brought to the attention of the Operations Lieutenant and/or Audit Manager.

The deficiency report will be sent via certified mail to the Casino/Licensee and emailed to all interested parties. The Casino/Licensee will be given (5) days from date of receipt of the deficiency report to request a meeting with the Division. The request must include a list of the changes to be discussed and justification for the change. If the Casino/Licensee does not request a meeting, the Casino/Licensee will be required to submit four (4) hard copies of each section of their Internal Controls {six (6) for Isle of Capri} that was amended pursuant to the deficiency list and one (1) copy on a compact disk (CD) within (15) days of receipt of the Division's correspondence.

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Requested Meeting with Licensee –

If the Casino/Licensee does request a meeting, the Operations Sergeant will require the Casino/Licensee to submit a list of all items to be contested or discussed with explanations or documentation addressing those concerns. The Coordinator shall forward each Committee member copies of the Casino/Licensee's response and a copy of the deficiency report.

The Operations Sergeant shall then schedule a meeting with the Casino/Licensee to discuss deficiencies and denials. The Coordinator will e-mail all committee members notifying them of the date, time and location of the meeting.

If there are no outstanding issues at the close of the meeting, the Casino/Licensee will be required to submit four (4) hard copies of each section of their Internal Controls {six (6) for Isle of Capri} that was amended and two (2) copies on compact disks (CDs) within ten (10) days.

Outstanding Issues Post Meeting with Licensee

If there are outstanding issues at the end of the meeting with the Casino/Licensee, the Casino/Licensee will be given five (5) days to submit additional information or documentation to support their claims. The Operations Sergeant will review additional submissions with the Committee members, and respond to the Casino/Licensee accordingly. The Casino/Licensee will then be required to submit four (4) hard copies of each section of their Internal Controls {six (6) for Isle of Capri} that was amended and two (2) copies on compact disks (CDs) within ten (10) days.

Upon receipt of the amended hard and disk copies of the Internal Controls from the Casino/Licensee, the Coordinator will forward a hard and CD copy of the complete submission to the Audit Representative for final review.

The Coordinator and Audit Representative will compare the deficiency report to the amended copy of the Internal Controls submitted by the Casino/Licensee to ensure that all required and approved changes were made by the Casino/Licensee. Any discrepancies shall be noted.

The Coordinator will prepare a letter to the Casino/Licensee for the Operations Sergeant and Audit Representative's signature addressing those deficiencies. The Casino/Licensee will be given seven (7) days to correct the problem and resubmit an amended copy of their Internal Controls.

The Coordinator and the Audit Representative will compare the deficiency report to all subsequent amended copies of the Internal Controls submitted by the Casino/Licensee, until all deficiencies are addressed. Once all deficiencies have been addressed by the Casino/Licensee, the Casino/Licensee shall submit a total of four (4) additional hard copies of the amended pages {six (6) for Isle of Capri} containing the changes to their Internal Controls to the Operations Sergeant to be distributed as follows:

1. Operations
2. Field Office Lieutenant
3. Field Office Auditor Supervisor
4. Audit Representative

Approval Process

The Coordinator will prepare a letter to the Casino/Licensee for the Operations Sergeant and the Audit Representative's signature authorizing those trimester or emergency changes, and requesting two (2)

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copies on compact disks (CDs) of the amended pages containing the changes to their Internal Controls. The Operations Sergeant will also generate an authorization to be attached to the approval letter. Field office personnel shall be copied on the approval letter and attached authorization. The Coordinator or designee shall forward a hard copy of the finalized written system of Internal Controls to the Field Office Sergeant and the Field Office Auditor Supervisor. The Audit Representative will post the electronic copy of the finalized written system of Internal Controls and any approved emergency changes to the Louisiana State Police in-house Database.

PROPER CONTACT

Any correspondence received from Casino/Licensees concerning Internal Control issues shall be forwarded to the Operations Sergeant.

Division personnel receiving telephone calls from and/or personally contacted by any Casino/Licensee concerning Internal Control issues shall inform the Casino/Licensee that those issues must be addressed, in writing, to the Operations Sergeant.

The Operations Sergeant or his designee will respond to Casino/Licensees regarding Internal Control issues.

All Division personnel shall contact the Operations Sergeant, before contacting any Casino/Licensee concerning Internal Control issues, other than a Division Agent submission of Internal Control Special Request Routing Forms.

GENERAL INFORMATION

CURRENT COMMITTEE MEMBERS

Jim McGuane, Coordinator, Operations Sergeant
Ronnie Cain, Designated Audit Representative
Field Office Lieutenant
Field Office Auditor Supervisor

COORDINATORS (Directed by the Operations Sergeant)

DeLores Woods	Nealy Morain
Chandra Joseph	Marsha Simon-Hunt

CURRENT TRIMESTER SCHEDULES

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First Trimester

(Feb 14 - Feb 28)

Casino Rouge

Hollywood Casino

Isle of Capri (all)

Argosy Casino

Delta Downs

Louisiana Downs

Harrah's Shreveport (Samstown)

Second Trimester

(June 16 - June 30)

Horseshoe Casino

Boomtown Bossier

Harrah's New Orleans

Evangeline Downs

Third Trimester

(Oct 17 - Oct 31)

Bally's Belle of Orleans

Boomtown Harvey

Treasure Chest

Harrah's Star

Harrah's Pride

Pinnacle

ADDITIONAL INFORMATION

1. All Internal Control matters must go before the Internal Control Committee. Field Offices can only approve Internal Control changes in case of an emergency (i.e., Hurricanes). In these emergency situations, the approvals should be followed up with a written notice to the Internal Control Committee.
2. There shall be no verbal approval of any Internal Control changes (Adm. Rule 2944).
3. Any individual that does not agree with any decision of the Committee can seek relief by immediately notifying their respective supervisor.
4. When an administrative hearing is lost due to an Internal Control weakness, the case agent should submit an in-house change form to correct the weakness.
5. Statewide Internal Control weaknesses should be addressed by the agent's submission of the Statewide Internal Control Special Request Routing Form to the Operations Sergeant/Audit Representative.
6. Property specific Internal Control weaknesses should be addressed by the agent's submission of the Field Office Internal Control Special Request Routing Form to the Operations Sergeant/Audit Representative.